

PATENT COOPERATION TREATY
PCT
INTERNATIONAL PRELIMINARY REPORT ON PATENTABILITY
(Chapter II of the Patent Cooperation Treaty)
(PCT Article 36 and Rule 70)

Applicant's or agent's file reference 305444957	FOR FURTHER ACTION	See Form PCT/IPEA/416
International application No. PCT/AU2005/000097	International filing date (<i>day/month/year</i>) 28 January 2005	Priority date (<i>day/month/year</i>) 29 January 2004
International Patent Classification (IPC) or national classification and IPC Int. Cl. <i>G06Q 30/00 (2006.01)</i>		
Applicant OZB2B PTY LTD et al		

1. This report is the international preliminary examination report, established by this International Preliminary Examining Authority under Article 35 and transmitted to the applicant according to Article 36.
2. This REPORT consists of a total of 3 sheets, including this cover sheet.
3. This report is also accompanied by ANNEXES, comprising:
 - a. ☒ (*sent to the applicant and to the International Bureau*) a total of 7 sheets, as follows:
 - ☐ sheets of the description, claims and/or drawings which have been amended and are the basis for this report and/or sheets containing rectifications authorized by this Authority (see Rule 70.16 and Section 607 of the Administrative Instructions).
 - ☐ sheets which supersede earlier sheets, but which this Authority considers contain an amendment that goes beyond the disclosure in the international application as filed, as indicated in item 4 of Box No. I and the Supplemental Box.
 - b. ☐ (*sent to the International Bureau only*) a total of (indicate type and number of electronic carrier(s)) , containing a sequence listing and/or table related thereto, in electronic form only, as indicated in the Supplemental Box Relating to Sequence Listing (see Section 802 of the Administrative Instructions).
4. This report contains indications relating to the following items:

<input checked="" type="checkbox"/>	Box No. I	Basis of the report
<input type="checkbox"/>	Box No. II	Priority
<input type="checkbox"/>	Box No. III	Non-establishment of opinion with regard to novelty, inventive step and industrial applicability
<input type="checkbox"/>	Box No. IV	Lack of unity of invention
<input checked="" type="checkbox"/>	Box No. V	Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement
<input type="checkbox"/>	Box No. VI	Certain documents cited
<input type="checkbox"/>	Box No. VII	Certain defects in the international application
<input type="checkbox"/>	Box No. VIII	Certain observations on the international application

Date of submission of the demand 31 August 2005	Date of completion of this report 19 December 2005
Name and mailing address of the IPEA/AU AUSTRALIAN PATENT OFFICE PO BOX 200, WODEN ACT 2606, AUSTRALIA E-mail address: pct@ipaaustralia.gov.au Facsimile No. (02) 6285 3929	Authorized Officer CATHERINE REES Telephone No. (02) 6283 2811

Box No. I **Basis of the report**

1. With regard to the language, this report is based on:

☒ The international application in the language in which it was filed

☐ A translation of the international application into _____, which is the language of a translation furnished for the purposes of:

☐ international search (under Rules 12.3(a) and 23.1 (b))

☐ publication of the international application (under Rule 12.4(a))

☐ international preliminary examination (Rules 55.2(a) and/or 55.3(a))

2. With regard to the elements of the international application, this report is based on (*replacement sheets which have been furnished to the receiving Office in response to an invitation under Article 14 are referred to in this report as "originally filed" and are not annexed to this report*):

☐ the international application as originally filed/furnished

☒ the description:

pages 1, 2, 4, 5, 7 - 15 as originally filed/furnished

pages* 3, 6, 6a received by this Authority on 31 August 2005 with the letter of same

pages* received by this Authority on with the letter of

☒ the claims:

pages as originally filed/furnished

pages* as amended (together with any statement) under Article 19

pages* 16 - 19 received by this Authority on 31 August 2005 with the letter of same

pages* received by this Authority on with the letter of

☒ the drawings:

pages 1/4 - 4/4 as originally filed/furnished

pages* received by this Authority on with the letter of

pages* received by this Authority on with the letter of

☐ a sequence listing and/or any related table(s) - see Supplemental Box Relating to Sequence Listing.

3. ☒ The amendments have resulted in the cancellation of:

☐ the description, pages

☒ the claims, Nos. 15

☐ the drawings, sheets/figs

☐ the sequence listing (*specify*):

☐ any table(s) related to the sequence listing (*specify*):

4. ☐ This report has been established as if (some of) the amendments annexed to this report and listed below had not been made, since they have been considered to go beyond the disclosure as filed, as indicated in the Supplemental Box (Rule 70.2(c)).

☐ the description, pages

☐ the claims, Nos.

☐ the drawings, sheets/figs

☐ the sequence listing (*specify*):

☐ any table(s) related to the sequence listing (*specify*):

* If item 4 applies, some or all of those sheets may be marked "superseded."

Box No. V Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement

1. Statement

Novelty (N)	Claims 1 - 14	YES
	Claims	NO
Inventive step (IS)	Claims 1 - 14	YES
	Claims	NO
Industrial applicability (IA)	Claims 1 - 14	YES
	Claims	NO

2. Citations and explanations (Rule 70.7)

Citations:

- a) WO 2001/46833
- b) WO 2000/17797
- c) WO 2001/33449
- d) US 6647374
- e) US 6647373

Novelty (N) and Inventive Step (IS):

None of the citations disclose or even suggest the invention as claimed. The claims define an online auction system with default final offers that initiates a counter bid extension period when the leading bid is a default bid. The citations describe various methods of running online auctions with default final offers but none of the citations disclose the automatic initiation of the counter bid extension period. The invention, therefore, must be considered to be novel and to involve an inventive step.

PATENT COOPERATION TREATY

PCT

INTERNATIONAL PRELIMINARY REPORT ON PATENTABILITY

(Chapter II of the Patent Cooperation Treaty)

(PCT Article 36 and Rule 70)

Applicant's or agent's file reference 305444957	FOR FURTHER ACTION		See Form PCT/IPEA/416
International application No. PCT/AU2005/000097	International filing date (<i>day/month/year</i>) 28 January 2005	Priority date (<i>day/month/year</i>) 29 January 2004	
International Patent Classification (IPC) or national classification and IPC Int. Cl. G06Q 30/00 (2006.01)			
Applicant OZB2B PTY LTD et al			

1. This report is the international preliminary examination report, established by this International Preliminary Examining Authority under Article 35 and transmitted to the applicant according to Article 36.	
2. This REPORT consists of a total of 3 sheets, including this cover sheet.	
3. This report is also accompanied by ANNEXES, comprising: <div style="margin-left: 20px;"> a. <input checked="" type="checkbox"/> (sent to the applicant and to the International Bureau) a total of 7 sheets, as follows: <div style="margin-left: 20px;"> <input type="checkbox"/> sheets of the description, claims and/or drawings which have been amended and are the basis for this report and/or sheets containing rectifications authorized by this Authority (see Rule 70.16 and Section 607 of the Administrative Instructions). <input type="checkbox"/> sheets which supersede earlier sheets, but which this Authority considers contain an amendment that goes beyond the disclosure in the international application as filed, as indicated in item 4 of Box No. I and the Supplemental Box. </div> </div> <div style="margin-left: 20px;"> b. <input type="checkbox"/> (sent to the International Bureau only) a total of (indicate type and number of electronic carrier(s)) , containing a sequence listing and/or table related thereto, in electronic form only, as indicated in the Supplemental Box Relating to Sequence Listing (see Section 802 of the Administrative Instructions). </div>	
4. This report contains indications relating to the following items: <div style="margin-left: 20px;"> <input checked="" type="checkbox"/> Box No. I Basis of the report <input type="checkbox"/> Box No. II Priority <input type="checkbox"/> Box No. III Non-establishment of opinion with regard to novelty, inventive step and industrial applicability <input type="checkbox"/> Box No. IV Lack of unity of invention <input checked="" type="checkbox"/> Box No. V Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement <input type="checkbox"/> Box No. VI Certain documents cited <input type="checkbox"/> Box No. VII Certain defects in the international application <input type="checkbox"/> Box No. VIII Certain observations on the international application </div>	

Date of submission of the demand 31 August 2005	Date of completion of this report 19 December 2005
Name and mailing address of the IPEA/AU AUSTRALIAN PATENT OFFICE PO BOX 200, WODEN ACT 2606, AUSTRALIA E-mail address: pct@ipaaustralia.gov.au Facsimile No. (02) 6285 3929	Authorized Officer CATHERINE REES Telephone No. (02) 6283 2811

Box No. I Basis of the report

1. With regard to the language, this report is based on:

☒ The international application in the language in which it was filed

☐ A translation of the international application into _____, which is the language of a translation furnished for the purposes of:

☐ international search (under Rules 12.3(a) and 23.1 (b))

☐ publication of the international application (under Rule 12.4(a))

☐ international preliminary examination (Rules 55.2(a) and/or 55.3(a))

2. With regard to the elements of the international application, this report is based on (*replacement sheets which have been furnished to the receiving Office in response to an invitation under Article 14 are referred to in this report as "originally filed" and are not annexed to this report*):

☐ the international application as originally filed/furnished

☒ the description:

pages 1, 2, 4, 5, 7 - 15 as originally filed/furnished

pages* 3, 6, 6a received by this Authority on 31 August 2005 with the letter of same

pages* received by this Authority on with the letter of

☒ the claims:

pages as originally filed/furnished

pages* as amended (together with any statement) under Article 19

pages* 16 - 19 received by this Authority on 31 August 2005 with the letter of same

pages* received by this Authority on with the letter of

☒ the drawings:

pages 1/4 - 4/4 as originally filed/furnished

pages* received by this Authority on with the letter of

pages* received by this Authority on with the letter of

☐ a sequence listing and/or any related table(s) - see Supplemental Box Relating to Sequence Listing.

3. ☒ The amendments have resulted in the cancellation of:

☐ the description, pages

☒ the claims, Nos. 15

☐ the drawings, sheets/figs

☐ the sequence listing (*specify*):

☐ any table(s) related to the sequence listing (*specify*):

4. ☐ This report has been established as if (some of) the amendments annexed to this report and listed below had not been made, since they have been considered to go beyond the disclosure as filed, as indicated in the Supplemental Box (Rule 70.2(c)).

☐ the description, pages

☐ the claims, Nos.

☐ the drawings, sheets/figs

☐ the sequence listing (*specify*):

☐ any table(s) related to the sequence listing (*specify*):

* If item 4 applies, some or all of those sheets may be marked "superseded."

Box No. V Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement

1. Statement

Novelty (N)	Claims 1 - 14	YES
	Claims	NO
Inventive step (IS)	Claims 1 - 14	YES
	Claims	NO
Industrial applicability (IA)	Claims 1 - 14	YES
	Claims	NO

2. Citations and explanations (Rule 70.7)

Citations:

- a) WO 2001/46833
- b) WO 2000/17797
- c) WO 2001/33449
- d) US 6647374
- e) US 6647373

Novelty (N) and Inventive Step (IS):

None of the citations disclose or even suggest the invention as claimed. The claims define an online auction system with default final offers that initiates a counter bid extension period when the leading bid is a default bid. The citations describe various methods of running online auctions with default final offers but none of the citations disclose the automatic initiation of the counter bid extension period. The invention, therefore, must be considered to be novel and to involve an inventive step.

10/586980

3

IAP6 Rec'd PCT/PTO 20 JUL 2006

permitting each of said competing participants to prescribe a default final offer before or during the online auction event;

conducting the auction between the competing participants by permitting the participants to submit bids and counterbids;

5 checking, at or after the expiry of said time period, default final offers prescribed by competing participants; and

if a competing participant's default final offer represents a competitive offer, registering the offer as a valid bid without any further intervention by that competing participant;

10 whereby, if a default final bid offer is registered as a valid bid, the online auction event is extended into an extension period to allow other competing participants to submit counterbids.

The step of a registering a competing participant's default final offer as a valid bid preferably involves checking that default final offer to bids submitted during the online
15 auction event and to other default final offers.

In a reverse auction event, the first party is a buyer and the counterparties are competing suppliers, and a competitive offer represents a lower price to said buyer. In this case, the default final offer represents a supplier's floor price for the event.

20 In a forward auction event, the first party is a seller and the counterparties are competing buyers, and a competitive offer represents a higher price to said seller. In this case, the default final offer represents a buyer's ceiling price for the event.

Preferably the method includes maintaining confidential a default final offer entered by a competing participant unless and until that offer is registered as a valid bid.

25 In a preferred form, the method includes, for a competing participant which has entered a default final offer, the steps of:

comparing all offers submitted by that competing participant during the online auction event with that default final offer; and

providing a warning message to that competing participant if the result of the comparison indicates that an erroneous offer has been submitted.

30 Preferably, the online auction is carried out over a computer network comprising an auction administrator computer (which may be operated by the first party) and at least two counterparty computers, operated by said competing participants, and default final

The method may include the step of, in accordance with prescribed criteria, extending the online auction event into an extension period to allow selected competing participants to submit a best and final bid, and checking default final offers entered by competing participants to assess whether they represent competitive best and final bids
5 relative to bids submitted by the competing parties during the online auction event.

Preferably, the method includes the step of permitting each said competing participant to select whether their default final offer is to apply at the end of the auction event and/or in an extension period beyond the close of the auction event.

According to a further aspect of the invention, there is provided a computer-based
10 system for conducting an online auction between a first party and at least two counterparties being competing participants in the online auction event, the system comprising:

- a logical unit permitting designation of a time period for the online auction event;
- a logical unit permitting each of said competing participants to prescribe a default
15 final offer before or during the online auction event;
- a computer application for conducting the auction between the competing participants by permitting the participants to submit bids and counterbids;
- a logical unit for checking, at or after the expiry of said time period, default final offers prescribed by competing participants;
- 20 a logical unit for registering, if a competing participant's default final offer represents a competitive offer, the offer as a valid bid without any further intervention by that competing participant; and
- a logical unit for causing the online auction event to be extended into an extension period if a default final offer is registered as a valid bid, in order to allow other
25 competing participants to submit counterbids.

In a preferred form of this aspect of the invention, the online auction involves the award of a supply contract to a supplier selected from a panel of predetermined suppliers which each has a base supply contract with a first party buyer, and the computer network over which the online auction is carried comprising at least one buyer computer, an
30 administrator computer and at least two supplier computers, said buyer being the first party and said predetermined suppliers being the competing participants, the system including:

a logical unit permitting establishment of key parameters for the supply contract to be submitted by the administrator computer to the at least two supplier computers (eg. : price, quality, delivery and service);

- 5 a logical unit permitting establishment of a rating for each supplier of the panel of predetermined suppliers related to said key parameters;

CLAIMS

1. A method of conducting an online auction event between a first party and at least two counterparties, being competing participants in the online auction event, the method including the steps of:
 - designating a time period for the online auction event;
 - permitting each of said competing participants to prescribe a default final offer before or during the online auction event;
 - conducting the auction between the competing participants by permitting the participants to submit bids and counterbids;
 - checking, at or after the expiry of said time period, default final offers prescribed by competing participants; and
 - if a competing participant's default final offer represents a competitive offer, registering the offer as a valid bid without any further intervention by that competing participant;
- whereby, if a default final offer is registered as a valid bid, the online auction event is extended into an extension period to allow other competing participants to submit counterbids.
2. The method of claim 1 whereby the step of a registering a competing participant's default final offer as a valid bid involves comparing that default final offer to bids submitted during the online auction event and to other default final offers.
3. The method of any preceding claim, said online auction event being a reverse auction event, wherein said first party is a buyer and the counterparties are competing suppliers, and whereby a competitive offer is an offer that represents a lower price to said buyer, the default final offer representing a supplier's floor price for the event.
4. The method of claim 1 or claim 2, said online auction event being a forward auction event, wherein said first party is a seller and the counterparties are competing buyers, and whereby a competitive offer is an offer that represents a higher price to said seller, the default final offer representing a buyer's ceiling price for the event.
5. The method of any preceding claim, including the step of maintaining confidential a default final offer entered by a competing participant unless and until that offer is registered as a valid bid.

6. The method of any preceding claim including, for a competing participant which has entered a default final offer, the steps of:

comparing all offers submitted by that competing participant during the online auction event with that default final offer; and

5 providing a warning message to that competing participant if the result of the comparison indicates that an erroneous offer has been submitted.

7. The method of any preceding claim whereby the online auction event is carried out over a computer network comprising an auction administrator computer, operable by or on behalf of the first party and at least two counterparty computers, operable by or on
10 behalf of said competing participants, whereby said default final offers are prescribed by competing participants by input into respective counterparty computers and storage on said administrator computer.

8. The method of claim 7 insofar as dependent on claim 5, whereby, in order to maintain the confidentiality of a default final offer prescribed by a competing participant,
15 a stored default final offer is not made available to a user of said administrator computer unless and until that offer is registered as a valid bid.

9. The method of any preceding claim, the online auction involving the award of a supply contract to a supplier selected from a panel of predetermined suppliers which each has a base supply contract with a first party buyer, and the computer network over
20 which the online auction is carried comprises at least one buyer computer, an administrator computer, and at least two supplier computers, said buyer being the first party and said predetermined suppliers being the competing participants, the method including the steps of:

establishing key parameters for the supply contract to be submitted by the
25 administrator computer to the at least two supplier computers (eg. price, quality, delivery and service);

establishing a rating for each supplier of the panel of predetermined suppliers related to said key parameters;

receiving during the auction supplier offers from the supplier computers; and
30 applying the respective ratings to each supplier offer to adjust that offer prior to comparison with any other offer.

10. The method of claim 9, whereby, during the auction event, each supplier is provided with a target bid (TB) in respect of the supply contract, the target bid calculated

by said administrator computer to dynamically indicate to a supplier an offer that that particular supplier must currently submit to remain competitive in the auction.

11. The method of claim 9 or claim 10 whereby the step of checking default final offers at or after the expiry of said time period involves applying the respective ratings to the default final offers, in order to determine the default final offer which represents the most competitive offer.

12. The method of any preceding claim, including the step of permitting each said competing participant to select whether their default final offer is to apply at the end of the auction event and/or in an extension period beyond the close of the auction event.

13. A computer-based system for conducting an online auction between a first party and at least two counterparties being competing participants in the online auction event, the system including:

a logical unit permitting designation of a time period for the online auction event;
a logical unit permitting each of said competing participants to prescribe a default final offer before or during the online auction event;

a computer application for conducting the auction between the competing participants by permitting the participants to submit bids and counterbids;

a logical unit for checking, at or after the expiry of said time period, default final offers prescribed by competing participants;

a logical unit for registering, if a competing participant's default final offer represents a competitive offer, the offer as a valid bid without any further intervention by that competing participant; and

a logical unit for causing the online auction event to be extended into an extension period if a default final offer is registered as a valid bid, in order to allow other competing participants to submit counterbids.

14. The system of claim 13, the online auction involving the award of a supply contract to a supplier selected from a panel of predetermined suppliers which each has a base supply contract with a first party buyer, and the computer network over which the online auction is carried comprising at least one buyer computer, an administrator computer, and at least two supplier computers, said buyer being the first party and said predetermined suppliers being the competing participants, the system including:

a logical unit permitting establishment of key parameters for the supply contract to be submitted by the administrator computer to the at least two supplier computers (eg. price, quality, delivery and service);

5 a logical unit permitting establishment of a rating for each supplier of the panel of predetermined suppliers related to said key parameters;

a logical unit for receiving during the auction supplier offers from the supplier computers; and

a logical unit for applying the respective ratings to each supplier offer to adjust that offer prior to comparison with any other offer.

10